

OVERVIEW OF BUDGET

DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE
COUNTY ADMINISTRATIVE OFFICER: JOHN F. MICHAELSON
BUDGET UNIT: JOINT POWERS LEASES (AAA JPL)

I. GENERAL PROGRAM STATEMENT

This component funds the cost of long-term lease payments for joint power facility agreements. There is no staffing associated with this budget.

II. BUDGET AND WORKLOAD HISTORY

	Actual 2000-01	Budget 2001-02	Estimated 2001-02	Budget 2002-03
Total Appropriation	27,425,810	23,569,659	20,531,731	23,068,480
Total Revenue	855,000	-	-	
Local Cost	26,570,810	23,569,659	20,531,731	23,068,480

2001-02 actual expenditures are projected to be under budget by \$3 million. Refinancing of the 1992 Justice Center /Airport Improvement project generated \$2.1 million in general fund savings in 2001-02. In addition, historical lows in short term rates resulted in savings on the County's variable rate debt of approximately \$1.6 million. These savings were partially offset by an arbitrage rebate payment of \$.7 million. This payment, which is a rebate of excess investment earnings on bond proceeds, covered the period from February 1992 through February 2002.

Leases Included in this budget for 2002-03 are:

1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Pre-School Building)	\$ 1,337,923
County Government Center	3,170,610
West Valley Detention Center	8,571,041
Glen Helen Blockbuster Pavilion	1,772,650
Justice Center/Chino Airport Improvements	6,299,510
Subtotal	21,151,734
Reduction of Glen Helen Taxable Debt	3,200,000
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing, Audit and Arbitrage services etc.)	988,478
Reimbursements **	(2,271,732)
	\$ 23,068,480

** Reimbursements reflect Preschool building rents, Chino Airport rents, lease payments from Glen Helen Blockbuster Pavilion and a transfer from the utilities budget (to reflect savings from ENVEST project).

III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

None

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PROGRAM CHANGES

The 2002 refinancing of the Justice Center/Airport Improvements project resulted in \$2.1 million in general fund savings in 2001-02 and will produce another \$23,744 in general fund savings in 2002-03. The 2001 West Valley Detention Center refinancing will produce \$1,055,777 in general fund savings in 2002-03. This makes a total of \$3.2 million available for expenditure. It is recommended that this money be used to pay down the Glen Helen taxable debt. A reduction of \$3.2 million would reduce annual interest expense on this debt by an average of \$100,000 over the next 22 years and decrease the required appropriation in this budget unit an average of \$260,000 per year over the next 22 years. This appropriation would then be available for allocation to other programs.

OTHER CHANGES

None

IV. POLICY ITEMS

None

V. FEE CHANGES

None

GROUP: Administrative/Executive
DEPARTMENT: County Admin Office Joint Powers Leases
FUND: General AAA JPL

FUNCTION: General
ACTIVITY: Property Mgmt

ANALYSIS OF 2002-03 BUDGET

	A	B	C	D	B+C+D E	F	E+F G	H
	2001-02 Year-End Estimates	2001-02 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget	Recommended Program Funded Adjustments	2002-03 Proposed Budget	Policy Items
Appropriations								
Services and Supplies	<u>22,484,702</u>	<u>25,851,109</u>	<u>(507,179)</u>	<u>-</u>	<u>25,343,930</u>	<u>(3,718)</u>	<u>25,340,212</u>	
Total Exp Authority	22,484,702	25,851,109	(507,179)		25,343,930	(3,718)	25,340,212	
Less:								
Reimbursements	<u>(1,952,971)</u>	<u>(2,281,450)</u>	<u>6,000</u>		<u>(2,275,450)</u>	<u>3,718</u>	<u>(2,271,732)</u>	
Total Appropriation	20,531,731	23,569,659	(501,179)	-	23,068,480	-	23,068,480	
Local Cost	20,531,731	23,569,659	(501,179)	-	23,068,480	0	23,068,480	

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Base Year Adjustments

Services and Supplies	(3,013,525)	Final Lease Payment on the 92 Equipment Refinancing Project.
	(7,632)	Minor Lease Payments changes per annual lease schedules.
	52,881	Increase Lease Payments to correct prior budgeting practice of offsetting lease payments by rebatable arbitrage.
	333,661	Increase in Debt Administration due to an anticipated rebate of arbitrage.
	2,127,436	2001-02 general fund savings from the refinancing of the Justice Center/Airport Improvement Project.
	<u>(507,179)</u>	
Reimbursements	6,000	Changes in anticipated reimbursement from Glen Helen Blockbuster Pavilion receipts and rents received from Preschool Services for Ontario building per payment schedules.
Total Appropriations	<u>(501,179)</u>	
Revenue	-	
Total Revenues	<u>-</u>	
Local Cost	<u>(501,179)</u>	

Recommended Program Funded Adjustments

Services and Supplies	(1,055,777)	Reduce lease payments by the savings generated from refinancing of 2001 West Valley Detention Center Project
	1,055,777	Use of Savings from Refinancing of 2001 West Valley Detention Center Project to reduce the Glen Helen taxable debt.
	(27,462)	Reduce lease payments by the savings generated from refinancing - 2002 Justice Center/Airport Improvements Refinancing project.
	2,144,223	Use of Savings generated by refinancing - 2002 Justice Center/Airport Improvements Refinancing to reduce the Glen Helen taxable debt.
	<u>(2,120,479)</u>	2001-02 savings generated by refinancing of Justice Center/Airport Improvement project
	<u>(3,718)</u>	
Reimbursements	3,718	Decrease in anticipated reimbursement from rent for the Chino Airport.
Total Appropriations	<u>-</u>	
Revenues	-	
Total Revenues	<u>-</u>	
Local Cost	<u>-</u>	